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January 28, 2021

VIA E-MAIL

ADMIRAL INSURANCE COMPANY
c/o Nathan M. Rymer (nrymer@resnlaw.com)
Claire Ries (cries@resnlaw.com)
RYMER, ECHOLS, SLAY & NELSON-ARCHER, P.C.
2801 Post Oak Blvd., Suite 250
Houston, Texas 77056

Re: Withdrawal of Claim

- Cause No. D-1-GN-18-003866; *Phillip Miranda, Individually and as Representative of the Estate of James Miranda, Deceased vs. K&K Roofing & Construction, et al.*; in the 345th Judicial District Court of Travis County, Texas (the “*Miranda Lawsuit*”);
- Cause No. D-1-GN-18-004 799; *Steven Victor Mroski and Zachary A. Rosenfeld vs. K&K Roofing Construction, LLC, et al.*; in the 200th Judicial District Court of Travis County, Texas (the “*Mroski Lawsuit*”); and
- Cause No. D-1-GN-20-002873; *Karl Sutterfield, et al. v. K&K Roofing Company, et al.*; in the 126th Judicial District Court of Travis County, Texas (the “*Sutterfield Lawsuit*”).¹

Dear Counsel:

As you know, we represent the interests of K&K Roofing and Construction LLC (“K&K”) as coverage counsel with respect to the *Miranda Lawsuit*, *Mroski Lawsuit*, and the *Sutterfield Lawsuit* (collectively, the “Underlying Lawsuits”), and with respect to the coverage litigation brought by Admiral Insurance Company (“Admiral”) against K&K, styled as Civil Action No. 1:20-cv-00399; *Admiral Insurance Company vs. K&K Roofing and Construction LLC*; in the United States District Court for the Western District of Texas, Austin Division (the “Coverage Lawsuit”).

The Underlying Lawsuits each relate to a fire that occurred at the Iconic Village Apartments in San Marcos, Texas. K&K submitted to Admiral a request for defense and indemnity coverage with respect to the Underlying Lawsuits under policy number CA000022058-03, which Admiral issued to K&K for the policy period from July 20, 2017 to July 20, 2018 (the “Admiral

¹ The *Sutterfield Lawsuit* was originally filed in Dallas County Court at Law Number 3 (Cause No.: CC-20-00036-C). That action was nonsuited and refiled in Travis County District Court on June 2, 2020.

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Policy”). Admiral accepted defense coverage, subject to a reservation of rights, and appointed defense counsel to represent K&K in the Underlying Lawsuits. Thereafter, Admiral filed the Coverage Lawsuit, seeking to have the court issue a declaration that there is no coverage under the Admiral Policy for the damages sought by the plaintiffs in the Underlying Lawsuits.

By this letter, K&K formally withdraws the request that it submitted to Admiral for coverage under the Admiral Policy with respect to the Underlying Lawsuits. K&K no longer seeks defense or indemnity coverage from Admiral under the Admiral Policy with respect to the Underlying Lawsuits or any other potential future litigation that involves the same facts and circumstances as those in the Underlying Lawsuits. K&K will not look to Admiral for reimbursement of any fees, costs, or expenses as it relates to the Underlying Lawsuits or any other potential future litigation that involves the same facts and circumstances as those in the Underlying Lawsuits. Additionally, K&K will not seek to be indemnified against any settlement or judgment against K&K with respect to the Underlying Lawsuits or any other potential future litigation that involves the same facts and circumstances as those in the Underlying Lawsuits.

By withdrawing this claim for insurance coverage, K&K further believes that there is no longer a justiciable controversy between it and Admiral regarding any obligation that Admiral may have under the Admiral Policy. As a result, K&K will file a Motion to Dismiss in the Coverage Litigation, citing the fact that the lack of a justiciable controversy means that the federal district court no longer has subject matter jurisdiction.

K&K does not waive any additional rights it has under the Admiral Policy with respect to any other existing, pending, or future claim or suit that **does not** involve the Underlying Lawsuits or any other existing, pending, or future claim or suit that **does not** involve the same facts and circumstances as those in the Underlying Lawsuits. It is the express intent, however, of K&K to completely abandon any claim and/or request for coverage under the Admiral Policy with respect to the Underlying Lawsuits.

A copy of this letter is being transmitted to Mary and Ronnie Allard (who are the principals of K&K), Catherine Woodfield (who we understand is the primary adjuster for Admiral with respect to the Underlying Lawsuits), the “Claims” e-mail address for Admiral, and W. Scott Mitchell (who is the insurance agent for K&K). K&K requests that a representative from Admiral confirm that K&K’s claim for coverage is withdrawn.

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Best regards,



Douglas P. Skelley



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